

The Board of Selectmen met in the Town Hall, Joseph F. Bilotta Meeting Room as scheduled with Paula Bertram, Steven M. deBettencourt, Tom Alonzo, Dave Matthews and Town Manager Kerry Speidel present, Ernie Sund absent. Meeting opened at 7:00 P.M. with the Pledge of Allegiance

PUBLIC COMMENT

Tom noted that the redistricting of the state were released today, Precinct B will now be with 3rd Worcester District and the majority of the Town will be in the 37th Middlesex District. The Special Committee on Redistricting is currently allowing a one week comment period for individuals, communities, and interest groups to comment on their draft proposal. If you'd like to comment, or examine these maps, you are able to check out their website at http://www.malegislature.gov/district. Early next week, final versions of these maps will be voted out of Committee. Once the maps are released favorably from Committee, the entire House and Senate will have the opportunity to file amendments, and the final maps will be voted on tentatively the week of October 31st. Encourages people to look and see what has changed/happened where you live.

ANNOUNCEMENTS

1. Yard Waste Days - The Lunenburg Landfill, off of Youngs Road will be open for consecutive Saturdays, OCTOBER 15TH - NOVEMBER 19TH 8:00 a.m. to 4:00 p.m. Guidelines for disposal of yard waste for Lunenburg residents: Acceptable material: grass clippings, bark mulch, wood chips, leaves, brush (with a diameter not to exceed 3 inches...unlimited length). Shrubbery and plantings; with the same restrictions. Any container; bags, boxes, barrels, trashcans, tarps, flower pots, etc., must be removed and taken by the resident. No household garbage, trash, or rubbish of any kind will be accepted. No materials within the Landfill area; sand, stone, gravel, etc. are to be given away or sold. Access will be restricted to the disposal area. Commercial landscapers will not be allowed to dump. Open to Lunenburg residents only. Travel permitted only on Town easement. No trespassing on Tri-town Landing Development.

APPOINTMENTS

CURRENT BUSINESS

- 1. Ratification of appoinment of new Patrol Officer No action.
- 2. Appointment of representative to Executive Committee of Nashoba Valley Regional Dispatch No action.
- 3. Minutes Board of Selectmen Regular session for 10/11/11 and Executive Session for 10/11/11 reviewed and signed. Warrants #22 12, 10/1/11 \$225,776.04 and #23 12, 10/19/11 \$446,703.99 reviewed and signed. Action File Issues -
- 4. Committee Reports -
- 5. Department or Town Manager Reports Kerry noted that we received a couple of comments yesterday from residents questioning whether trash still needed to be placed in yellow trash bags as it was reported to her that some residents are using black trash bags. She did contact Gerry Galena of Casella and he advised her that many residents have placed recycling materials in a regular (black) trash bag and if the driver has any question that the contents in the bag are trash or recycling they will open up the bag to verify.

Tom questioned large amounts of debris in the contractor type bags and we have no mechanism to deal with this and would like to place on an agenda for some future time for discussions on demolition type (cut wood etc.) debris.

6. Presentation of 5-Year Financial Forecast – Joint Session with the Finance Committee – Members of Finance Committee present: Marc Erikson, Brian Laffond and Scott Gile, department heads; Karen Brochu, Town Accountant, Amy Sadkin, Library Director and Loxi Jo Calmes, School Superintendent. Kerry presented the attached Powerpoint presentation on the Financial Summit. Commented that now seems to be the time to present an override to the voters given the state of the town's roadways and buildings and personnel.

Dave commented that the reality is we're at this place, as every budget season has been cutting; personnel, roads, capital improvements. We're at a place now where we can't continue to do this on the town side of operations and sure that the school side is going to show some of the same. Noted that they (school) as we have, have made significant cuts. We know that you should have asked for an override last year and know that people at town meeting who had not been involved in meetings and discussions who told

us we should have requested the over ride last year; we're in a place now where we can't avoid placing that question before the voters. We're at a place now where we have to talk about what we're willing to do here. There will be an override on the ballot and at town meeting. If you need to say no, tell us why as we need to have the conversation.

Mark Erickson, Chair, Finance Committee stated that he agrees with the Chair of Board of Selectmen, we need to have a discussion on the service levels to determine where they should be. On the override, question between 2.7 million deficit and possible 2 million override and how do we bring the projected 5 million over the 5 year term and how do we discuss where we should be with the residents.

Kerry, noted that if we were at the state average on what we assessed for real estate taxes (approximately 12% lower than state average), we would be so much closer than where we needed to be. Even if we were to agree with the override and it would be 2.6 million or 2 million, that would only take care of one year. The problem that you face if you were looking to face the problem for five years, you'll need to ask the voters for somewhere in the area of 5 million, and that is a tough sell. Not even sure that she would suggest the five year fix as it may not even be something that is easily attainable at this point. Certainly feel that an override in any amount is going to be a very tough sell. Have to earn the trust of the voters and if you're looking at two or three year increments you do what you've said your going to do, you gain that confidence. But, as we haven't asked for this for so long, we need to begin in small increments.

Paula questioned if the school infrastructure was included in the projections.

Per Loxi the major project, the high school, that information was not included in this financial forecast. Other than the infrastructure needs that are in place in for capital improvements that discussion needs to be addressed. Noted that School Committee will be meeting tomorrow.

Paula questioned if we have any timeline as to when that information would be available and Loxi doesn't think that we'll see any information from the state until at the earliest in the Spring. The school departments budget hearing has been scheduled for January 4th here at town hall. Paula noted that we have serious infrastructure improvements needed at the schools and not knowing what that cost will be, it's going to be difficult moving forward in determining what that override impact will be.

Tom commented that this is good to get discussions started in October, "override" as it's been pointed out over the years, there was not one assumption that was less than 2½%, there is no possible way to keep a budget sustainable without ever having an override. Last one we tried for was about 5 years or so and many voted against that because we didn't have a good financial forecast put together. Over the past four years, the town manager has put a forecast together, we have cut sevices where we can, have consolidated where we can, but we continue to lose state and federal funding for the schools. Having worked with the budgets for 9 years, he thinks we're where we are because Lunenburg has a revenue problem, not a spending problem. Looks forward to working with this board, the departments and town manager in putting together a plan for us to act upon.

Dave commented that this will all be part of the process, previously the information was not available, and doesn't want to repeat that, the more that taxpayers and voters get involved early, believe we can work something together.

Kerry noted that this year we've begun the process much earlier and referred to the budget calendar (attached) where we are about a month ahead of where we were last year at this time.

OLD BUSINESS

COMMITTEE APPOINTMENTS/REAPPOINTMENTS/RESIGNATIONS

EXECUTIVE SESSION

UPCOMING MEETING SCHEDULE

November 1, 2011 November 8, 2011 November 15, 2011

Being no further business board voted unanimously to adjourn Regular Session at 8:12 P.M.

Respectfully submitted,

Laura Caron-Gustus, Chief Administrative Assistant Board of Selectmen Town of Lunenburg

Financial Summit Presentation October 18, 2011

Why Forecast?

- Best Financial & Management Practices
- Required by Town's Charter, Section 4-2 (s)
- Bond Rating Agencies are favorably impressed with forecasting

Forecasting v. Budgeting

- Forecast provides a long-term and comprehensive financial perspective on service delivery using both known information & hypothesis
- Budget is a specific plan detailing service delivery in the coming fiscal year

Goals of Forecasting

- Gain a Long-term perspective/ basis for planning
- Determine whether fiscal problems are on the horizon
- Time to plan for change, favorable or unfavorable
- Reinforce the need for long-range considerations during the annual budget process

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Forecasting- Key Concepts

- Projections are not inalterable prophecies, but merely guidelines which may be adjusted as necessary
- Once you develop baseline projections, it's relatively easy to adjust the underlying assumptions to address issues
- Forecasted shortfall does imply that some action will be taken, or at least planned, to avoid the financing problem

5

Forecasting Guides & Tools

- MGL, Town Bylaws, other Generally Accepted Standards
- Financial Policies
- Trends Analysis
- Debt Service Schedules
- Union Contracts
- Assumptions, general or specific

MGL,Town Bylaws, or other Generally Accepted Standards

- MGL governs labor, employee benefits, & requires delivery of certain services
- Town Bylaws require delivery of certain services; enforcement of bylaws
- GAAP/ GASB standards, minimum manning standards, etc.

7

Financial Policies

- Financial Management Policies & Objectives adopted by the Board of Selectmen July 2004
- Address:
 - Operating budgets vs. Capital Program
 - o Free Cash
 - o Stabilization Fund
 - o Borrowing

Trends Analysis

- Financial Trend Monitoring Report
- Evaluates Financial Condition, through analysis of indicators.
 - o Indicators identify the factors that affect financial condition and arranges them to facilitate analysis and measurement
- Review of last 5 years worth of data [10 years]
- Forecasting relies heavily on trends analysis as overall trends are generally linked together
- Should be updated & expanded if possible, on an annual basis

8

Union Contracts

■ IBPO, Police	2010
■ AFL-CIO, Dispatchers	2013
■ Various School [Teachers]	2011
■ IAFF, PFFM, Fire	2011
AFSCME, Clerical	2014
■ IUONA. Public Works (2)	2012

-Assumptions for Financial Forecast- FY2013 - 2017

- Service Levels
- Future of the local economy
- Revenue structure
- Cost of services

A detailed list of assumptions is provided in the packet

11

Assumptions- Service Levels

- Forecast document, to the extent possible, will adhere to adopted financial policies
- Forecast document will honor all contractual obligations, such as debt service schedules and union contracts
- Level of services currently being offered will continue to be offered, and delivered in the same manner, throughout the life of the forecast
 - o Increase in personnel (Public Safety & Public Works)
 - o Long term plan for implementing Capital Improvement Plan, including Pavement Management Plan

Assumptions- Future of the Economy

- No basis for assuming that the economy will change significantly during the life of the forecast
- Some growth in Local Receipts
- Significant concern over the level of State Aid
- New Growth

13

Assumptions- Revenue Structure

Revenues

- o Property Tax- 2 1/2% increase, lower New Growth
- State Aid- assume 2.5% growth; No ARRA funding; No "Jobs for Education"
- Available Funds- no use of Stabilization Fund to fund operating costs
- Local Receipts- assumes 2% growth; need to reduce Investment Income Receipts & School Dept Receipts [Pre-School Tuitions]
- Enterprise Revenue- will continue to fully fund enterprise operations

Assumptions- Cost of Services

- Personnel Costs- union & non-union- according to contract, about 3.5% overall [steps, COLA, longevity]
- Expenses
 - o General
 - Overall expenses to increase 2.5%
 - Utilities to increase 5%
 - Department Specific
 - Recycling = Cover full amount of program (inc. \$15.5K)
 - Snow & Ice =5%
 - Health Insurance & Pension = 9 10%
 - Education Expenses = Use Superintendent's projections.

15

Forecast- Projected Deficits, including "New Initiatives"

| Property | Property

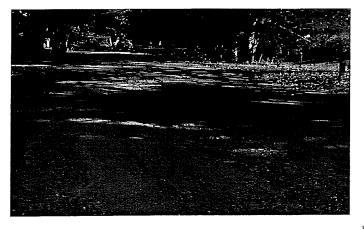
r"New Initiatives" are not so new

Hon-School Department FTE's [based upon a 40 hour work week]

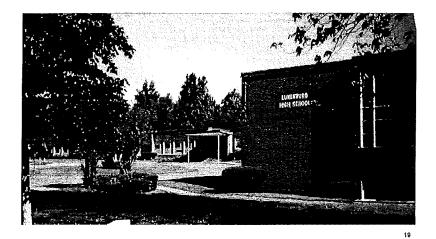
	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2008	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Accounting	1.6	1.6	2.6	3.1	3.1	3.1	3.1	3.1	3.1	31	3.1	2.6	2.1
Assessor	1.3	1.3	1.3	1.3	1.3	1.3	1,3	1,3	1.3	1.3	1.3	1.3	1.3
Board of Health	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Board of Selectmen/ Town													
Manager	3	3	3	3.25	3.25	3 25	3.25	3.25	3.25	3.5	35	3	2.5
Building Inspector	1,75	1.75	1.75	1.75	2.25	2.15	2,15	2.15	2.15	2.1	2	2	2
Conservation	0.8		0.8	8.0	0.8	0.8	0.8	0.8	0.8	0.8	0.6	0.8	0.8
Department of Public Works"	14	14	14	14	15	15	15	13	13	12	- 11	10	105
Fire		3	, A	4	, ,		- 7	4	5	5	5	5	5
information Technology	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	1.2	1.2	ž	Š	2
Ubrary	5.4	5.4	5.7	5.7	5.1	5.1	5.1	5.1	6.1	6.1	61	61	6.1
	1,15	1.15	1.15	1.15	1.2	1.2	1.25	2.15	2.15	2.2	22	2	2
Planning Police	128	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	138	138	138	148
		4.25	3.25		4	13.6	3.5	3	3	3	3	2.66	2.68
Treasurer-Collector	4.4	4.25	3.25	4	4	9	3.5	٠	J	3	3	200	2.00
Town Clerk/ Registrations/										4.00	1.05	1 05	1.25
Census'	1.1	1	1	1	1	1	1.3	1.3	1.25	1.25	1.25	1.25	1.25
Falab	£17£	£2.E	£10	EE 1	10 21	80 16	- 68	544	30 93	66.1	25.0	61.76	53.76

17

And there's nothing innovative about maintaining roads...



..Or buildings



Forecast- Conclusions

- We have fiscal issues to address
- Non-sustainable plan
- We need public input
 - o Is this level of service acceptable?
 - Is the deterioration of major infrastructure acceptable?

Forecast- Conclusions

- If not, what's the solution?
- In FY2011, the average single family tax bill in Lunenburg was \$4,064
- In FY2011, the average single family tax bill in MA was \$4,537
- A difference of \$473, or nearly 12% lower than the state-wide average

21

Forecast- Conclusions-

\$473, or about \$40 per month, would be the approximate cost for an override in the amount of \$2,085,000

						Ares								
incel Values		100,000	(60,000)	200,600	250,000	251,489	330,000	400,000	E00.000	600,660	700,000	800,000	PO0,000	1.000,0
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25.000	A. 344	2.24	2.37	4.48	5.61	1 64	4.73	8.97	\$1.22	13.46	16.71	17.82	20.19	22
60,000		4.49	6.73	8,67	11.22	11.28	12.48	17.95	22.44	26.92	31.41	35.00	40.38	44
75.000		6.73	10.10	13.46	16 62	18,83	20,10	28.62	33.45	40.28	47.12	52.45	63.68	67
100,000		9.97	12.45	17.00	22 44	22.57	20 92	26.60	44.07	12.61	12.82	71.50	80.77	
160,000		13.49	20.19	24.01	32.45	33.85	40.26	12.21	67.21	80.77	61.22	107.65	121.15	134
200,000	FEG. 1	17.05	28.92	25.60	44.97	45.14	\$2.45	21.80	19.74	107.69	125 64	147.59	181.64	179
250,000		22.44	22.45	44.97	2000	50.42	47.31	89.74	112,13	121.62	157.05	173.46	201.02	224
200,000		26 92	40.21	62,86	47.31	67.70	60.27	107.69	134.62	181.54	169.46	215.36	242.31	209
	有其实现	21.41	47.12	97,97	78 63	70.03	8123	126 84	157.05	18846	219.07	251.28	262.69	314
350,000		25.90	52.86	21.86	49.74	83.27	107.68	147.51	170.49	215.30	251.75	287.16	323.64	269
400,000	513-00 E	(0.3)	63,63	80.77	100,86	101 50	121.19	101.64	201.02	2+2-21	262.67	323.08	263.46	463
450,000				19.74	112.15	117.64	124.62	173.48	224.26	269 22	314.10	268.68	492.85	448
600,000	8 4 E S	44.97	67.51	99.72	123.40	124.12	148 08	197.64	246 40	208.15	245 51	354.07	444.73	493
660,000	1.000	49.75	74.04					215.37	269.22	223.64	276 07	435,77	484 62	628
600,000		12.15	\$0.77	107.65	124.62	13641	161 64	-					665.28	
700.000	-	92.53	94.27	125.64	187.06	157.97	100 <6	251.74	314.10	278 92	129.74	602.67		628
710,600	24.049.0	17.21	16-0-86	134 87	144.27	169 24	201.02	259.27	275.54	403.61	471.16	628 48	625.77	
\$30,000	35,3,37.3	71.83	107.69	147.51	179.49	11064	215.28	207.10	358 68	439,77	692.62	674,26	619.16	717
900,000		10.77	121.15	141,54	201.97	207.11	24231	323,01	402 81	484.92	ets and	418,16	728 92	#07
1.000,000	10年3年3月	89.74	134 62	179.45	224.30	776.68	26723	158.86	448.72	628.45	678 21	717.05	607.69	897

Action Plan

Review:

- Past & current service levels
- Long-term priorities
- Possible consolidations- not much left
- Service reductions- what's left to cut?
- Fee Structure- pay for the cost of providing the service and nothing more

23

Timetable

Budget Forms Distributed 10/31/11 **Budget Requests Due** 11/30/11

12/30/11 Capital Improvement Program to BOS &

FinCom

January 2012 School Committee Budget Recommendation

Town Manager Preliminary Budget 02/15/12

Recommendation Due

Preliminary Budget Public Hearing

March & Finance Committee Reviews PB &

April makes recommendation

05/05/12 Annual Town Meeting

School FTE

FY2000 FY2001 FY2002 FY2003 FY2004 FY2005 FY2006 FY2007 FY2008 FY2009 FY2010 FY2011 FY2012

C	totak	21450	214.70	227.05	227.00	231.27	238.14	233.74	0.00	0.00
	Custodians	11.00	11.00	14.00	14.00	14.00	14.00	14.00		
	Paraprofessionals	50.70	51.40	55.40	52.60	60.53	65.40	62.50		
Clerical	8.15	8.15	9.25	9.30	9.30	8.50	8 50			
	llurses	3.50	3.50	4 00	4.00	4.00	4.00	4.00		
	Therapists	130,15	130.65	133.40	135.80	132.44	134 24	132.74		
	Teachers/ Counselors &									
Non-Educator Professionals	1.00	1.00	1.00	1.00	1.00	2.00	2.00			
Administrators		10.00	9.00	10.00	10.00	10.00	10.00	10.00		
11	unenburg Public Schools									

Proposed Schedule for FY2013 Budget Deliberations

Day	Date	Proposed Activity
Thursday	1-Sep	Issue Capital Improvement Planning Packet to all departments
Friday	30-Sep	All CIP Forms, FY, 5-Year & Inventory, due to CIPC
Monday Friday	3-Oct 14-Oct	Town Manager Review of Submitted CIP Requests
Tuesday	18-Oct	Town Manager presents 5-Year Financial Forecast; Trends Analysis Update
Monday Thursday	17-Oct 1-Dec	CIDC Povious & Consider Degree 4
		CIPC Review & Consider Requests
Monday	31-Oct	Town Manager distributes FY2013 Budget Forms
Wednesday	30-Nov	FY2013 Department Budget Request due to Town Manager
Friday Friday	2-Dec 30-Dec	Town Manager reviews FY2013 Department Budget Requests CIPC Finalize FY and 5-Year Plan Recommendations
Friday	30-Dec	Superintendent Issues Final Recommended Budget to School Committee
Tuesday	10-Jan	Open Annual Town Meeting Warrant
	January	School Committee forwards recommended budget to Town Manager [per Charter]
Friday	10-Feb	Town Manager's Budget Recommendation Distributed
Thursday	16-Feb	Town Manager's Budget Presentation
Thursday	23-Feb	Finance Committee Begins Review of Budget Recommendation & Other Articles with Financial Impact
Monday	5-Mar	Close Annual Town Meeting Warrant @ 4:00 p.m.
Monday	19-Mar	Town Caucus [tentative]
Thursday	29-Mar	FinCom Final Votes on all Warrant Articles
Tuesday	3-Apr	BOS Final Votes on all Warrant Articles
Thursday	6-Apr	Final Warrant to Printer
Friday	20-Apr	Warrant Mailed to Residents
Saturday .	5-May	Annual Town Meeting